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PANVA GAS HOLDINGS LIMITED

百江燃氣控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1083)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board wishes to announce the appointment of DBS Asia Capital Limited as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Whitewash Waiver in accordance with the Takeovers Code.

Reference is made to the announcement dated 4 December 2006 issued jointly by Panvas Gas Holdings Limited (the “**Company**”), Enerchina Holdings Limited and The Hong Kong and China Gas Company Limited in relation to, amongst others, the Acquisition, the Consideration Share Issue and the Whitewash Waiver (the “**Announcement**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcement.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board of the Company wishes to announce that, pursuant to Rule 2.1 of the Takeovers Code, DBS Asia Capital Limited has been appointed as the independent financial adviser (“**IFA**”) in respect of the Whitewash Waiver. The appointment of the IFA has been approved by the Independent Board Committee and the IFA will advise the Independent Shareholders and the Independent Board Committee in relation to the Whitewash Waiver and, in doing so, the Acquisition and the Consideration Share Issue.

Shareholders and investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
CHEN Wei
Managing Director

Hong Kong, 8 January 2007

At the date of this announcement, the Board of Directors of the Company comprises:

Executive Directors: OU Yaping (Chairman), TANG Yui Man Francis (Vice Chairman), CHEN Wei (Managing Director), LI Fujun, SHEN Lian Jin, ZHANG Keyu

Non-executive Director: TO Chi Keung, Simon

Independent non-executive Directors: CHEUNG Hon Kit, LI Xiao Ru, ZHANG Ke

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

** For identification purposes only*

Please also refer to the published version of this announcement in The Standard.